IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION

In re:	§	
	§	
Professional Fee Matters Concerning the	§	No. 4:23-cv-04787
Jackson Walker Law Firm	§	
	§	

UNITED STATES TRUSTEE'S MOTION REQUESTING THAT THE COURT ISSUE A RULING OR SET A STATUS CONFERENCE OR HEARING

Kevin Epstein, United States Trustee for Region 7 ("U.S. Trustee"), files this motion respectfully requesting the Court to rule on the *Motion for Withdrawal of the Reference and Referral of Motion for Relief under Rule* 60(b)(6) and Related Matters in 17 bankruptcy cases (the "Withdrawal Motions") so that the parties to the underlying litigation can set trial dates with whichever court or courts will try the matters, thereby avoiding additional delay in moving these cases to conclusion. Alternatively, if the Court needs additional information before ruling on the Withdrawal Motions, the U.S. Trustee requests the Court set an immediate status conference or hearing as would best assist the Court.

1. More than eight months ago, on November 2 and 3, 2023, the U.S. Trustee filed his *Motion for Withdrawal of the Reference and Referral of Motion for Relief under Rule 60(b)(6) and Related Matters* in 17 bankruptcy cases (the "Withdrawal Motions") seeking to withdraw the reference of the Rule 60(b)(6) Motions in those cases to avoid the appearance of bias, and promote efficiency, uniformity, and consistency.¹ Shortly thereafter on November 24, 2023, the U.S.

¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the *United States Trustee's Objection to the Bankruptcy Court's Report and Recommendation that His Motions to Withdraw the Reference be Denied* ("R&R Objection"). ECF No. 5.

Trustee and Jackson Walker stipulated to the withdrawal of the reference of these matters to the District Court.²

- 2. Pursuant to 28 U.S.C. § 157(d), the United States District Court decides a motion to withdraw the reference. Further, Federal Rule of Bankruptcy Procedure 5011(a) provides, "A Motion for withdrawal of a case or proceeding shall be heard by a district judge." Despite the language of the statute and rule, the Southern District of Texas Local Bankruptcy Rule 5011-1 provides that "[u]nless the district court orders otherwise, the matter will first be presented to the bankruptcy judge for recommendation." Pursuant to that provision, more than six months ago, on December 22, 2023, Chief Bankruptcy Judge Rodriguez entered his Report and Recommendation on all the Withdrawal Motions recommending that the matters remain in the bankruptcy court.
- 3. By January 25, 2024, the U.S. Trustee and Jackson Walker had completed briefing in response to the Report and Recommendation.³ The following day, the case was reassigned from Judge Andrew Hanen to this Court.
- 4. The Court then set an initial pretrial and scheduling conference for March 5, 2024, and ordered the parties to file a joint discovery/case management plan. The parties complied and filed the joint discovery/case management plan on February 23, 2024. On February 27, 2024, the Court canceled the pretrial and scheduling conference.
- 5. Discovery began May 15. With the ongoing discovery comes the need to prepare for trial, which includes coordinating with the trier of fact the dates of any trial or trials. But until this Court decides the Withdrawal Motions, the parties do not know whether the trials will be held

² While the parties agreed that that the motions should be referred to the District Court, the parties disagreed on whether the motions should remain in the Southern District of Texas or be transferred to the Western District of Texas

³ Jackson Walker now supports the Report and Recommendation.

in the United States Bankruptcy Court for the Southern District of Texas, in the United States District Court for the Southern District of Texas, in the United States District Court for the Western District of Texas, or elsewhere. So that the parties can continue to move these cases towards a conclusion, the U.S. Trustee requests the court soon rule on the Withdrawal Motions. Alternatively, if the Court needs more information to make its decision on the Withdrawal Motions, the U.S. Trustee requests the Court set a status conference or hearing in the near future.⁴

Date: July 10, 2024 Respectfully Submitted,

KEVIN M. EPSTEIN UNITED STATES TRUSTEE Region 7, Southern and Western Districts of Texas

/s/ Vianey Garza

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⁴ During the eight months since filing the Rule 60(b)(6) Motions and Withdrawal Motions in 17 cases, the U.S. Trustee has filed motions in an additional 16 cases and expanded the relief sought in the Rule 60(b)(6) Motions. If the Court withdraws the reference, then the U.S. Trustee will request that the reference be withdrawn in the remaining 16 cases for judicial efficiency and uniformity.

CERTIFICATE OF SERVICE

I certify that on July 10, 2024, a copy of the foregoing pleading was served on all parties entitled to electronic notice through the Court's CM/ECF system.

/s/ Vianey Garza
Vianey Garza

CERTIFICATE OF CONFERENCE

I certify that on July 9th and July 10th, I conferred with counsel for Jackson Walker about the relief requested herein. Jackson Walker does not oppose the U.S. Trustee's request for a ruling and/or a status conference, although Jackson Walker has indicated that it disputes certain of the factual allegations and arguments raised herein.

/s/ Vianey Garza
Vianey Garza